

FAIR TRADING AMENDMENT (INFORMATION ABOUT COMPLAINTS) BILL 2015**Bill introduced on motion by Mr Victor Dominello, read a first time and printed.****Second Reading****Mr VICTOR DOMINELLO** (Ryde—Minister for Innovation and Better Regulation) [5.31 p.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Fair Trading Amendment (Information About Complaints) Bill 2015. This bill will amend the Fair Trading Act 1987 to allow the Commissioner for Fair Trading to publish information about complaints received by the commissioner. The bill allows for the publication of information about the identity of the persons or businesses about whom complaints have been made or about whom the greatest number of complaints have been received. Importantly, it does not allow the publication of the identity of the person who makes a complaint. The bill will enable the Commissioner for Fair Trading to establish a register containing information about traders who have been the subject of complaints to NSW Fair Trading. The Fair Trading Act provides that one of the functions of the Commissioner for Fair Trading is to receive and deal with complaints relating to the supply of goods and services. NSW Fair Trading is the primary consumer regulator for New South Wales. It receives approximately 45,000 complaints each year and almost one million inquiries. When a consumer complaint is received, NSW Fair Trading staff contact the trader and attempt to negotiate a resolution that is acceptable to both parties. If a resolution is not achieved, the consumer may choose to take action in the NSW Civil and Administrative Tribunal. If conduct in breach of the law is identified, NSW Fair Trading may take enforcement action against the trader.

NSW Fair Trading has long kept an internal record of those traders who are the subject of the most complaints. However, this information has never been made available to the public. The open data policy of the New South Wales Government, which is in line with international trends towards open data, supports the release of government data sets wherever possible. In the digital economy, open data is a driver of economic growth and innovation. The data can be used to improve services, to inform the community about trends in the market, to create new business models and to devise innovative ways to help consumers gain better value in the marketplace. Events such as apps4nsw show the value of open data—app developers use government data and make it more accessible and useful for the community.

The impact of ratings websites such as Urbanspoon, Canstar, OpenAgent, TripAdvisor and many others shows how the power of data can change the marketplace and affect trader behaviour. Consumers now rely on such data when making decisions and have become experienced at deciding how much weight to give data from different sources. Complaint-handling bodies such as the Telecommunications Industry Ombudsman, the Commonwealth Financial Ombudsman Service, the Credit and Investments Ombudsman, and the Energy and Water Ombudsman NSW all make complaint data publicly available. Websites such as My School and MyHospitals share performance data about schools and hospitals.

In the United Kingdom, the Government's Consumer Empowerment Strategy requires government agencies to "free the complaint and performance data (in particular on individual businesses) they already own unless they have a good reason to do otherwise". Some United Kingdom regulators are required by law to make performance data publicly available. Release of complaint data is one means of so-called "reputational regulation" that is influencing business behaviour by means of public release of performance data. The data provides consumers with valuable information that can guide purchasing decisions and hold businesses to account. It also provides businesses with an incentive to improve their performance and the satisfaction of their customers.

In April 2015, the Telecommunications Industry Ombudsman noted that its agency's work in highlighting the causes of consumer complaints and working with the industry to improve services has contributed to telecommunications providers improving their networks, plans and customer service. Together with better regulation aimed at ensuring consumers are treated fairly, the work of the Ombudsman contributed to four consecutive years of reduced complaint numbers. Research from the United Kingdom has also found that release of complaints and performance data is improving trader performance. For example, Ofcom, the communications regulator in the United Kingdom, found that following publication of complaints data the volume of complaints received about the worst performing businesses reduced over time. Ofgem, the gas and electricity market regulator in the United Kingdom, has noted that publication of performance data has contributed to a substantial fall in the number of energy disconnections.

The details of the design of the NSW Fair Trading complaints register, including how many businesses should be listed on it, and what complaints details, will be included will be developed following a public consultation process. NSW Fair Trading has begun consulting with key industry and consumer groups and broader consultation, informed by a discussion paper, will take place between late September and October 2015. The discussion paper will outline the NSW Fair Trading complaints process and the protections against inclusion of vexatious complaints. The discussion paper will also receive feedback on a number of aspects of the design of the register, which will be taken into account in the register's development. Before the register commences, NSW Fair Trading will work with traders and consumers to ensure that there is a good understanding of how it will work and what the data represents.

NSW Fair Trading is also reviewing its complaints process to ensure that protections against vexatious complaints are operating as intended. It is noteworthy that key consumer advocates, including CHOICE, the NSW Customer Service Commissioner, the NSW Information and Privacy Commissioner, and the Consumer Action Law Centre, have expressed strong support for the register concept. The initiative is a first for a general consumer protection agency in this country and is one of the ways in which New South Wales is demonstrating leadership in the field of consumer protection. The register will not only empower consumers but also provide raw material for innovations to improve the value obtained by consumers in the market and the products and services offered by traders.

I thank the former Ministers for Fair Trading, the Hon. Matthew Mason Cox, from the other place, and the Hon. Stuart Ayers for championing the idea of sharing complaints data. I thank the Commissioner for Fair Trading, Rod Stowe, and officers from NSW Fair Trading—Rhys Bollen, Gabbie Mangos, Diana Holy, Elyse Cain, David Saunders—and my policy director Jane Standish for their outstanding efforts in developing the bill. I commend the bill to the House.

Debate adjourned on motion by Mr Guy Zangari and set down as an order of the day for a future day.